

April 2, 2008

The Honorable Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20024

221976  
Janie Sheng  
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Office Proceedings

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RE: Finance Docket No. 35120  
Pro-Go Corp. – Operation Exemption –  
In Suffolk County, NY

**FEE RECEIVED**

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**SURFACE  
TRANSPORTATION BOARD**

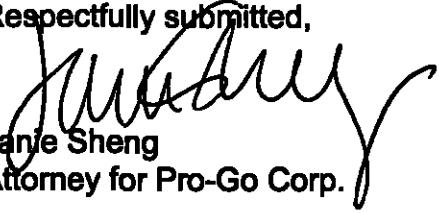
Dear Acting Secretary Quinlan:

Enclosed for filing in the above-captioned proceeding is an original and ten copies of the **Petition for Reconsideration** and the **Motion for Protective Order** dated April 2, 2008. A check in the amount of \$200.00, representing the appropriate filing fee for the Petition for Reconsideration, is also enclosed.

Please acknowledge receipt of this filing by date-stamping the enclosed acknowledgement copy and returning it to our messenger.

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Respectfully submitted,

  
Janie Sheng  
Attorney for Pro-Go Corp.

Enclosures

**FILED**

APR - 2 2008

**SURFACE  
TRANSPORTATION BOARD**

BEFORE THE  
SURFACE TRANSPORTATION BOARD

\_\_\_\_\_  
FINANCE DOCKET NO. 35120

PRO-GO CORP.  
-- OPERATION EXEMPTION --  
IN SUFFOLK COUNTY, NY  
\_\_\_\_\_



**EXPEDITED CONSIDERATION REQUESTED**

**PETITION FOR RECONSIDERATION OF  
PRO-GO CORP.**

ENTERED  
Office of Proceedings  
APR - 2 2008  
Port of  
Public Record

Kevin M. Sheys  
Janie Sheng  
Kirkpatrick & Lockhart  
Preston Gates Ellis LLP  
1601 K Street, NW  
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**FEE RECEIVED**

APR - 2 2008

**SURFACE  
TRANSPORTATION BOARD**

**Dated:** April 2, 2008

**ATTORNEYS FOR  
PRO-GO CORP.**

**FILED**

APR - 2 2008

**SURFACE  
TRANSPORTATION BOARD**

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 35120

PRO-GO CORP.  
-- OPERATION EXEMPTION --  
IN SUFFOLK COUNTY, NY

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**EXPEDITED CONSIDERATION REQUESTED**

**PETITION FOR RECONSIDERATION OF  
PRO-GO CORP.**

**I. INTRODUCTION**

Pursuant to 49 C.F.R. § 1115.3, Pro-Go Corp. ("Pro-Go") hereby files this Petition for Reconsideration of the Surface Transportation Board's ("STB" or the "Board") March 13, 2008 decision (the "Decision") in the above-referenced proceeding. Pro-Go respectfully submits that the STB's decision rejecting Pro-Go's Verified Notice of Exemption warrants reconsideration because of new evidence.

**II. STATEMENT OF FACTS**

As stated in the Verified Notice of Exemption, in or about 1961, Max Fehr purchased property in Holtsville, New York and in or about 1963, he conveyed five acres of the property to Prima. See Verified Notice of Exemption at 2. Between 1963 and 1964, Prima constructed a track with a switch to the main line on the east end. See Verified Notice of Exemption at 3. A portion of the railroad track was on the property owned by Prima and the remainder was built on an easement granted by Max Fehr to Prima. See Verified Notice of Exemption at 2-3. In 1972, a second track was

constructed with switches for both tracks to the main line on the east and west end of the spur. See Verified Notice of Exemption at 3. At or about the same time, Prima built an asphalt and concrete manufacturing plant on its property. See id. Pro-Go was established in 1988 at which time Max Fehr conveyed a one-acre parcel of land to Pro-Go upon which a portion of the railroad track existed. See id. Thereafter, the third piece of railroad track was constructed on the Pro-Go property. See id.

Also in 1988, Prima conveyed a license to Pro-Go allowing Pro-Go the use of the entire set of railroad tracks. See id. See also License Agreement attached hereto as **Exhibit A**. Pro-Go has never conducted freight rail common carrier operations over the Subject Line. Since 1988, Pro-Go has utilized the trackage pursuant to the License Agreement to offload shipments of stone, propane and other products for its sister corporation, Prima. Prima has never compensated Pro-Go for its offloading services.

On November 6, 2007, Prima contacted Hartford & Associates, Inc. to analyze the potential for a new railroad operation utilizing the Subject Line (the "Business Plan").<sup>1</sup> Robert C. Finley, a principal with Harford & Associates, Inc., prepared a Verified Statement, attached hereto as **Exhibit B**, summarizing his findings. In short, the Business Plan concluded that a profitable railroad enterprise could be operated utilizing the Subject Line. As a result, Pro-Go wishes to obtain operation authority to conduct freight rail common carrier operations over the Subject Line pursuant to its rights under the License Agreement.

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<sup>1</sup> The Business Plan prepared by Harford & Associates, Inc. is being filed with this Petition for Reconsideration under seal to protect the commercially sensitive information contained therein. Pro-Go also has filed a Motion for Protective Order in this docket.

### **III. ARGUMENT**

The Board's rules provide for discretionary appeals of entire Board decisions, and permit reconsideration of a Board decision if, among other things, the Board's prior action will be affected materially because of new evidence. 49 C.F.R. § 1115.3(b)(1). Pro-Go submits that new evidence warrants reconsideration of the Decision in which the Board rejected Pro-Go's Verified Notice of Exemption. In addition, the Decision invited Pro-Go to refile with the Board. In its Decision, the Board asked a series of questions seeking clarification and additional information from Pro-Go, and Pro-Go respectfully submits that reconsideration of the Decision is appropriate here because Pro-Go is providing the additional requested information.

Before seeking operation authority, a Business Plan was completed. Pro-Go initially did not file the Business Plan with its Verified Notice of Exemption because a non-carrier is not required to do so under the regulations. See 49 C.F.R. § 1150.31 et seq. On November 6, 2007, Prima contacted Hartford & Associates, Inc. to discuss the potential for a new railroad operation over the Subject Line. The Business Plan was prepared on February 6, 2008. As a result of the analysis, numerous new customers and commodities were identified as potential sources of business for Pro-Go. The Business Plan concluded that a profitable business opportunity exists for an entity to operate as a for-hire railroad and to service any and all third parties over the Prima trackage (together with the third track on Pro-Go's property). Therefore, Pro-Go now seeks Board authority to conduct freight rail common carrier operations over the Subject Line.

In response to the Board's specific questions outlined in the Decision, Pro-Go submits the following information:

- The agreement to be identified under 49 C.F.R. § 1150.33(c) is indeed the License Agreement between Prima and Pro-Go referenced in the Verified Notice of Exemption. See Exhibit A. The License Agreement grants to Pro-Go the right to use the rail trackage located on Prima property.
- William Fehr and Ronald Fehr own both Prima and Pro-Go; therefore, Prima and Pro-Go are sister corporations.
- Pro-Go has no corporate relationship with Tilcon Stone, any of the other shippers located on the trackage, or any of the potential customers cited in the Business Plan.
- Pro-Go has never conducted for-hire service and therefore has not required Board authority. Pro-Go has never in the past provided, nor does it currently provide, rail service for a third-party for remuneration. Beginning in 1988, Pro-Go offloaded shipments of stone, propane and other products shipped by a common carrier railroad for its sister corporation, Prima, without compensation. Pro-Go at no time held itself out as a common carrier railroad available for-hire by third-parties.
- As discussed above, Pro-Go is now seeking Board authority to operate as a common carrier railroad so that it may offer its rail services to the public. As stated previously, Pro-Go has identified numerous customers and commodities that it potentially could serve in the future were it to become a common carrier railroad providing for-hire service.
- Prima is not and has never been a common carrier railroad.<sup>2</sup> Prima is simply the owner of the underlying physical assets that constitute the Subject Line.<sup>3</sup> Pro-Go is the entity seeking Board authority to operate the Subject Line to which it has rights pursuant to the License Agreement.<sup>4</sup>

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<sup>2</sup> Prima's address is as follows: 615 Furrows Road, Holtsville, New York 11742.

<sup>3</sup> In its Decision, the Board stated the "the owner of the rail line [Prima] generally requires authority from the Board pursuant to 49 U.S.C. § 10901" in order that for-hire operations to be conducted over its tracks. Although this is sometimes the case, the Board has consistently held that the non-carrier owner of the underlying physical assets of a railroad does not require Board authorization when the common carrier rights and obligations are not being transferred to that owner. See, e.g., Midtown TDR Ventures LLC-Acquisition Exemption-American Premier Underwriters, Inc., The Owasco River Railway, Inc., And American Financial Group, Inc., STB Fin. Docket No. 34953 (Feb. 11, 2008) (citing Maine, DOT – Acquisition Exemption – Maine Central R. Co., 8 I.C.C.2d 835 (1991)).

<sup>4</sup> Part of the Subject Line is located on Pro-Go property; therefore, Pro-Go does not require rights under the License Agreement to operate over that portion.

- As stated in the Verified Notice of Exemption, the Subject Line consists of two parallel tracks totaling 4000 feet and a third track totaling approximately 650 feet (approximately 1 route mile in length) between approximately milepost 50 and approximately milepost 52 on the Long Island Railroad. See Verified Notice of Exemption at 1. Per the Board's request, a map of the area is attached hereto as **Exhibit C**.
- The Verified Notice of Exemption involves only Pro-Go seeking Board authority to operate a rail line and does not involve the acquisition of any assets. References to acquisition of assets or acquisition of the Subject Line were made in error in the Verified Notice of Exemption.

#### **IV. REQUEST FOR EXPEDITED CONSIDERATION**

To achieve the benefits of becoming a for-hire railroad and begin marketing itself as such to potential customers, Pro-Go requests that its Notice become effective on the issuance of a Board decision on this Petition.<sup>5</sup> Accordingly, Pro-Go respectfully requests expedited consideration of this Petition, and in light of the additional new information Pro-Go has provided, a decision issued and effective as soon as practicable.

WHEREFORE, Pro-Go Corp. respectfully requests that the Board grant this Petition for Reconsideration and issue a decision allowing the Notice to become effective as soon as possible.

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<sup>5</sup> Pro-Go simultaneously has filed a new Verified Notice of Exemption in STB Finance Docket No. 35126.

Respectfully submitted,

By: \_\_\_\_\_

A handwritten signature in black ink, appearing to read 'Kevin M. Sheys', written over a horizontal line.

Kevin M. Sheys

Janie Sheng

Kirkpatrick & Lockhart

Preston Gates Ellis LLP

1601 K Street, NW

Washington, DC 20006

(202) 778-9000

**Attorneys for Pro-Go Corp.**

**Dated: April 2, 2008**



Exhibit A

LICENSE AGREEMENT

AGREEMENT made this 10<sup>th</sup> day of October, 1988 between Prima Asphalt Concrete, Inc., a New York corporation having its principal place of business at 615 Furrows Road, Holtsville, New York 11742 ("Licensor") and Pro-Go Corp., a New York corporation having its principal place of business at 615 Furrows Road, Holtsville, New York ("Licensee").

WHEREAS, the Licensor and Licensee are the owners of real property in Holtsville, New York upon which is constructed a railroad spur and trackage between approximately Mile Post 50 on the Long Island Railroad and Mile Post 52 which consists of two parallel tracks totaling approximately 4,000 feet and a third track totaling approximately 650 feet (the "Trackage"); and

WHEREAS, Licensee is engaged in the business of receiving and storing propane and other industrial products; and

WHEREAS, Licensee desires to obtain and Licensor is willing to grant a non-exclusive license to enter Licensor's property and to use the Trackage located thereon.

NOW, THEREFORE, in consideration of \$1.00 and other good and valuable consideration, it is agreed as follows:

1. Grant of License: Licensor grants to Licensee a non-exclusive license to enter its property from time to time for the sole purpose of using the Trackage including, but not limited to, the use of a portion of its real property for the loading and unloading of freight shipped by rail carrier to or from the Trackage.

2. Payment: Licensee shall pay Licensor fees which are determined by the parties to be fair and reasonable for the particular purposes Licensee is using the Trackage for. All fees shall be agreed to between the parties prior to actual use of the Trackage by the Licensee.

3. Term: This License shall have a term of 99 years from the date of this Agreement cancelable upon 60 days" written notice by either party only in the event of the following:

a. Sale by the Licensor of the real property upon which the Trackage is located; or

b. Mutual agreement between the parties.

4 Restrictions on Licensee: Licensee is not

authorized, either expressly or impliedly, to incur any expense or perform any business function of any nature or kind in connection with the business of the Licensor without the express written approval of Licensor.

5     Promotions:     Licensor will cooperate in all advertising, promotions and publicity in connection with the permit granted to the Licensee pursuant to this Agreement.

6.     Notices:     Any notice required to be given hereunder shall be deemed given if sent to the parties at the addresses designated herein.

7.     Construction:     This Agreement shall be governed in all respects by the laws of the State of New York.

8.     Entire Agreement:     This agreement contains the entire agreement between the parties and no changes shall be effective unless in writing and executed by the parties hereto.

IN WITNESS WHEREOF, the Licensor and Licensee have set their hand and seal the day and year first above written.

PRIMA ASPHALT CONCRETE, INC.  
Licensor

By: \_\_\_\_\_

PRO-GO CORP.  
Licensee

By: \_\_\_\_\_

Exhibit B

## **VERIFIED STATEMENT**

**OF**

**ROBERT C. FINLEY**

My name is Robert C. Finley. I am a Principal with Harford & Associates, Inc. I have nearly thirty (30) years of experience in financial analysis and railroad marketing, as more specifically described in the resume that is attached hereto as **Appendix 1**.

I was contacted by William Fehr November 6, 2007, to assist in the preparation of a business plan (the "Business Plan") analyzing the potential for a new railroad operation utilizing the trackage owned by Prima Asphalt Concrete, Inc. ("Prima"). The purpose of the Business Plan was to determine whether a profitable rail transportation enterprise could be established. A copy of the Business Plan is attached hereto as **Appendix 2**. The Business Plan concludes that a profitable railroad could be established utilizing the Prima trackage in Holtsville, New York. The basis for this conclusion is summarized below and is described more fully in the Business Plan.

After my initial discussion with Mr. Fehr, I visited the Prima property and trackage to conduct research. I found a significant amount of infrastructure in place capable of serving multiple customers and multiple commodities. My research for the Business Plan included numerous interviews with potential customers. Based on my interactions with interviewees, my conclusion is that a proposed railroad can succeed. The customer base would be a combination of suppliers of Prima's current paving business as well as shippers who have approached Prima expressing interest in using the current track to transload commodities. The Business Plan identifies no less than five potential commodities (in addition to the stone shipments Pro-Go currently is receiving from

Tilcon on behalf of Prima) from five different potential customers. I also identified several other commodities that Pro-Go could move as part of its proposed railroad operations that neither Pro-Go nor Prima had considered.

The financial projections show increasing volumes and revenues in the first five (5) years of operation and that a profitable railroad enterprise can operate over the Prima trackage starting in year 1 of operations.



## **LIST OF APPENDICES**


**Appendix 1 – Robert C. Finley Resume**

**Appendix 2 – Potential for a New Railroad Operation Utilizing Trackage Currently Owned By Prima Asphalt Concrete, Inc.**

**STATE OF CONNECTICUT                    )**

**)      ss      OLD LYME**

**COUNTY OF NEW LONDON                )**

  
Robert C Finley

James W. Fairbanks  
Notary Public

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## APPENDIX 1

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**ROBERT C. FINLEY**  
2 Olde Barn Way  
Acton, Massachusetts 01720-2515  
978-263-5565(W) 978-264-3907(H)  
Fax: 978-246-5800  
rcfinley@verizon.net

**PROFILE.** Experienced finance executive able to handle all administrative functions of a corporation including information technology, human resources and risk management; financial duties have included start-ups, raising private equity, establishing and updating accounting systems, cash management, acquisitions, workouts and innovative debt restructuring; won national marketing award

### **PROFESSIONAL EXPERIENCE**

#### **VICE PRESIDENT OF FINANCE (2001 – present)**

Chief financial officer of a small railroad operating in western Massachusetts and Connecticut. Responsibilities include accounting, human resources, risk management and information systems. Report to president and executive vice president. **Housatonic Railroad Company, Inc., Old Lyme, CT**

#### **VICE PRESIDENT FINANCE (2002 – 2005)**

Part time chief financial officer of a start up holding company operating railroads in Texas, New Mexico and Arizona plus a freight car repair company. Responsible for the management of accounting function and financial reporting to board of directors. Reported to president and board of directors. **Iowa Pacific Holdings, LLC, Chicago, IL**

#### **CHIEF FINANCIAL OFFICER (2001 – 2002)**

Chief financial officer of a start up logistics company providing innovative transportation by combining the economic advantages of railroad boxcars and trucks. Responsible for establishment of all administrative functions including accounting, information systems, and human resources. Reported to the president. **GW Logistics, Inc. dba Speedlink, Walnut Creek, CA**

#### **CONTROLLER, TREASURER (2000-2001)**

Chief administrative officer for a start up services company providing maintenance of all locomotives and passenger cars for the Massachusetts Bay Transportation Authority. Responsibilities included accounting, human resources, risk management, information services plus inter-company accounting, billing and reporting with parent. **Bay State Transit Services, LLC, Somerville, MA**

#### **PRINCIPAL (1998-1999)**

Transportation consultant with specialty in problem solving for financial structuring, accounting issues and organizational efficiency **PHB Hagler Bailly, Inc., Cambridge, MA**

### **SELECTED ACCOMPLISHMENTS:**

- Developed strategy for the state of Victoria, Australia's privatization of state owned business. The implemented plan resulted in the sale of railroad operating rights for A\$167 million as opposed to original estimate of A\$20 to A\$40 million.
- Assisted in obtaining funding commitments for a highly levered corporate acquisition including development of a business and financial plan and subsequent work with banks and other lenders in their analysis of the investment.
- Determined the value of ill-gotten gains due to the theft of patented corporate technology.

**EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER (1991-1997)**

Second in command directing finance and human resources and impacting all functions of the corporation; reorganized company from near bankruptcy, coordinating needed debt restructuring and raising equity. **Iowa Interstate Railroad, Ltd., Iowa City, IA**

**SELECTED ACCOMPLISHMENTS.**

- Organized corporate accounting group, hired qualified personnel, installed new software accounting systems and established procedures for receivables, payables, payroll, cash, invoices and collections.
- Established and implemented a five year strategic planning process and corporate budgeting process specifying the operating plan and the capital expenditure schedule.
- Identified a willing investor and received an equity injection to enhance the corporate financial condition.
- Established a human resources department to handle the increasing complexity of laws regulating hiring, dismissal and benefits.
- Developed a cost accounting system and model that enabled the company to set prices assuring profitability of the total business mix.
- Selected and installed a personal computer/network system that lowered dependence on mainframe computer usage and MIS department support, allowing better decision making and more timely financial reporting.

**VICE PRESIDENT (1986-1991)**

For this growth through acquisition oriented company, handled all aspects of the purchase of new properties including start up, while assisting in selected marketing efforts. **Chicago West Pullman Corporation, Chicago, IL**

**SELECTED ACCOMPLISHMENTS.**

- Grew company from four to seven operating properties increasing revenues by 200%.
- Developed an acquisition strategy, identified purchases candidates, assembled proposals, managed bidding, coordinated purchases and assisted in start-ups.

**ASSISTANT VICE PRESIDENT, MARKETING SERVICES (1982-1986)**

For this \$3B corporation, directed a staff of 40 including market research, labor negotiations, telemarketing, advertising, information systems and line development/sales. Won Golden Freight Car for tying marketing effort to labor contracts. **Southern Pacific Transportation Corporation, San Francisco, CA**

**SELECTED ACCOMPLISHMENTS.**

- Liquidated \$10M of unprofitable operations and sold \$50M of marginal business for \$75M.
- Established one of the first customer information systems that allowed customer dial-in to trace freight cars and check prices.

**DIRECTOR, BUSINESS ANALYSIS (1976-1982)**  
**United States Railway Association, Washington, DC**

**ASSISTANT ECONOMIST (1974-1976)**  
**Southern Railway System, Washington, DC**

**EDUCATION**

**MBA, Finance, The Wharton School, University of Pennsylvania, Philadelphia, PA (1974)**

**BA, Economics and Accounting, Muskingum College, New Concord, OH (1972)**

## **ROBERT C. FINLEY—Principal**

**M.B.A.**            **Finance, Wharton School of the University of Pennsylvania**  
**B.A.**            **Economics and Accounting, Muskingum College**

Robert Finley has over three decades of executive experience in the transportation industry, specifically in the areas of finance, marketing, workouts, acquisitions, and leasing. He has successfully reduced costs and increased productivity for a number of companies, while carefully balancing performance and market demand. In addition to establishing aggressive line sales, he spearheaded a small company's growth from \$5 million to \$30 million; he restructured a failing company, for which he attained equity infusion and restored profitability; and he implemented a new form of tax advantage financing for regional railroads. Mr. Finley is recognized for his innovative marketing and finance techniques.

Mr. Finley advised the Transport Reform Unit of the Victoria, Australia, government about the financial strategies for privatization of their freight and passenger railroad operations. Initial studies for the state indicated the freight operations could be sold for \$20 to \$40 million but would require financial assistance and subsidies. Based on Mr. Finley's suggested alterations to the financial plan and offering memorandum, the freight operations were sold for \$167 million with no requirements for state assistance.

He has acted as the independent financial analyst for the Federal Railroad Administration determining the viability of regional and shortline railroads applying for government loans under the Railroad Rehabilitation and Improvement Financing Program (RRIF). These assignments are particularly challenging as the analysis has to determine that the applicant could not obtain conventional financing but will be able to repay the Federal government over a more extended period of time.

Mr. Finley assisted the Camas Prairie RailNet in one of the few heavily contested abandonment applications since the formation of the Surface Transportation Board. His responsibilities included preparation of carload costing projections using the Uniform Rail Costing System (URCS) and financial statements based on those projections.

Mr. Finley advised the trustee of the bankrupt Bangor & Aroostook Railroad about the financial viability of certain segments of the property. In this capacity he had to develop forecasts of income and estimates of expenses with a minimum of historical information due to the reorganization of the property. He then created the exhibits necessary to file for abandonment.

He has assisted the British Columbia government while it was selling its BC Rail operation. In the assignment Mr. Finley assembled financial impact statements assuring the government that it was receiving fair value in the sale.

**ROBERT C. FINLEY—Page 2**

He has advised the Montreal, Maine & Atlantic Railroad concerning its budgeting and weekly forecast process. During two separate assignments, he stepped in on an emergency basis as the corporate controller.

Mr. Finley assisted the San Pedro Southwestern Railroad with a detailed abandonment application when the Surface Transportation Board determined that an exemption petition was insufficient. He assembled all the economic and financial information needed and presented the analysis to the STB using their prescribed format.

Recently Mr. Finley has established the going concern value of two shortline railroads, one currently operating in Louisiana and the other a possibly start up on Long Island, NY.

Currently Mr. Finley assists the Housatonic Railroad, a shortline railroad located in western Massachusetts and Connecticut serving as their Vice President of Finance. He oversees the finance and many administrative functions of the property

**MAJOR ACCOMPLISHMENTS**

As executive vice president of Iowa Interstate Railroad Limited, a \$30 million regional railroad operating from Chicago to Omaha, he directed finance and human resources. He directly affected all corporate functions, organizing the company from near bankruptcy and coordinated debt restructuring and equity infusion. Among numerous successful accomplishments at Iowa Interstate, Mr. Finley:

- Helped merge Iowa Interstate, at the time an almost bankrupt railroad, with Heartland Rail Corporation. He negotiated with creditors, found new sources of secured debt, gained approval from government lenders, issued stock, centralized corporate offices and stabilized the financial structure and profitability of the line—all within a single year.
- Reorganized the corporate accounting department, solving an outside auditor's premerger "material weakness qualification."
- Managed a 1993 flood crisis, not only saving the company but also turning a modest profit
- Identified a willing investor whose major cash injection stabilized the company's financial position.
- Negotiated debt restructuring through a tax-advantaged sale/leaseback of in-use mainline rail, generating \$11.8 million in the process, and he utilized NOLs, lowering cash needs by \$1.1 million.

**ROBERT C. FINLEY—Page 3**

- Acquired rail lines in the Des Moines area, thus boosting Iowa Interstate's customer base.
- Lowered liability and property insurance expenses by 50 percent.
- Convinced Iowa Interstate's largest customer to stay in Iowa by building a new rail yard, intermodal transfer facility and engine repair facility, using grants and forgivable loans from the state and county.
- Thwarted another company's unacceptable attempt to purchase Iowa Interstate.
- Developed a cost accounting system and model that enabled Iowa Interstate to set prices that fully reflected allocated costs, thus ensuring that all traffic moved at a profit.

As vice president of Chicago West Pullman Transportation Corporation, a growth and acquisition-oriented company, Mr. Finley managed all aspects of new property purchases while assisting in selected marketing efforts. Specifically, he:

- Grew the company from four to seven operating properties, increasing revenues by \$25 million
- Developed an acquisition strategy, identified purchase candidates, assembled proposals, managed bidding, coordinated purchases and assisted in the start-up of the acquisitions.
- Implemented a new business plan that turned around a stagnant property and grew the business 25 percent.
- Coordinated financing with a holding company and directed customer service and sales for selected properties.

As assistant vice president of marketing services at the Southern Pacific Transportation Company, a \$3 billion railroad, Mr. Finley directed a staff of 40, including market research, intermodal development, labor negotiations, telemarketing, advertising, freight equipment planning, information systems and branch line development and abandonment. In this position, he

- Set the company's commercial direction to help it become an aggressive user of the newly deregulated environment.
- Eliminated circuitous routing (in transit storage), resulting in a savings of \$50 million and causing minimal disruption to customers and competing railroads.
- Liquidated \$10 million of losing operations and sold \$50 million of unprofitable operations for \$75 million



**ROBERT C. FINLEY—Page 4**

- Negotiated union contract rule changes that enabled the company to capture \$25 million in new revenues. The company subsequently received the Golden Freight Car, which recognizes the most innovative marketing program

He has been responsible for the finance and administrative functions of two start-up corporations. One, a publicly financed venture, was an attempt to privatize the railroad equipment maintenance for the Massachusetts Bay Transportation Authority. Mr. Finley was coordinating the hiring of more than 500 people in less than six weeks when the effort was thwarted by legal and political issues outside of the venture's control. A second venture, privately funded, reintroduced the use of railroad boxcars for fast delivery of small volume shipments.

Mr. Finley has also held positions with the United States Railway Association and the Southern Railway System.

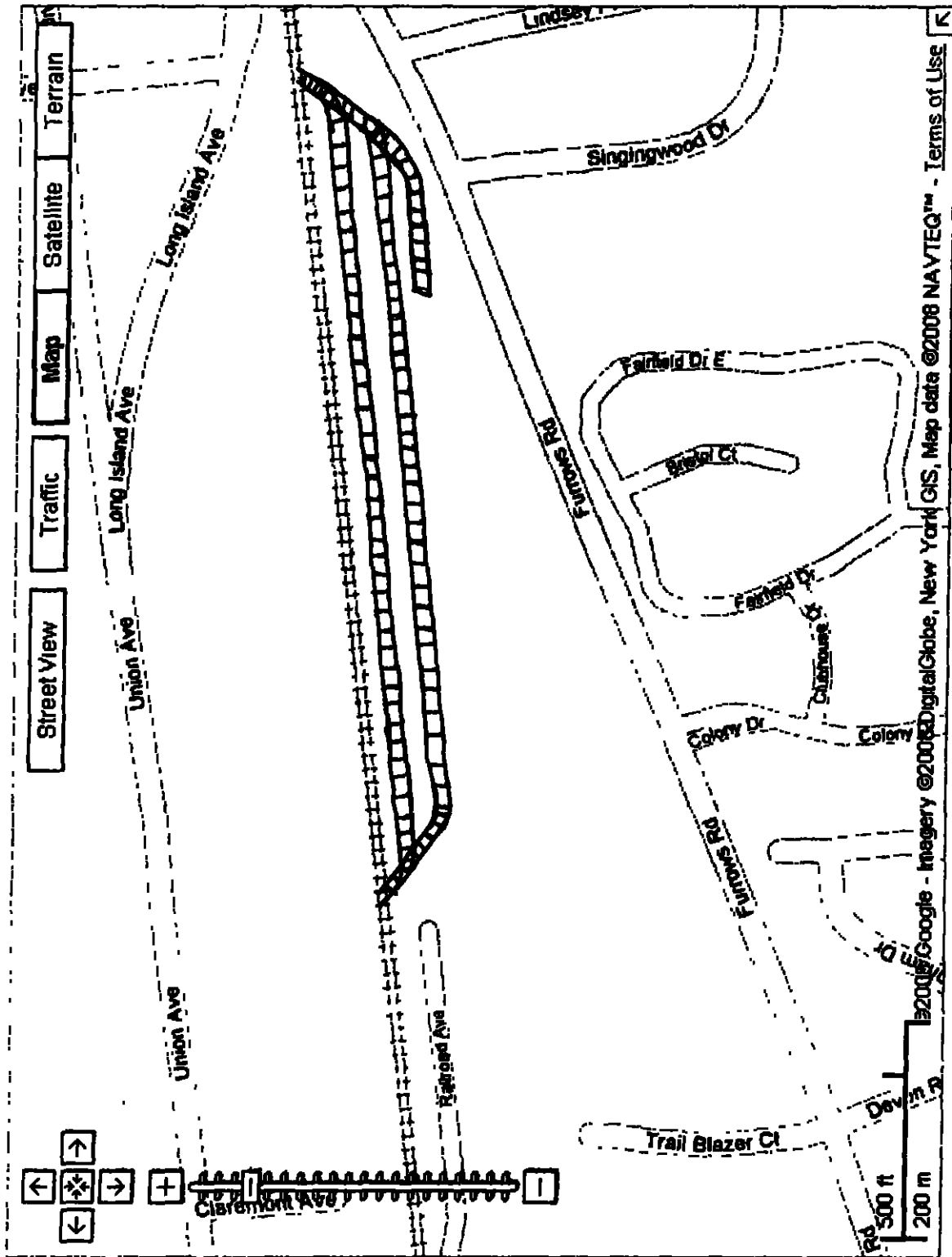
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## APPENDIX 2

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Exhibit C

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Subject Line